

CHAIRMAN'S STATEMENT



Dear Members,
Namaste !

I wholeheartedly feel enthused and honoured to reach you through Company's 27th Annual Report.

The outbreak of Corona virus disease (Covid-19), first identified in Wuhan, the capital of Hubei, China in December 2019. Since then, having spread globally and recognised as a pandemic by the World Health Organization (WHO) on March 11, 2020.

The Covid-19 pandemic having an immense impact on the way of life across the world. Every business has to fight the battle on both fronts i.e. health and economic and will have to endure this time of forced recession. With the global economic downturn running into trillions of dollars, speculations are rife that the recovery period might run well into early next year.

The economic impact of the corona virus pandemic in India has been largely disruptive. The World Bank and rating agencies had initially downgraded India's growth for fiscal year 2021 with the lowest figures India has seen in three decades since India's economic liberalization in 1990s.

The spread of corona epidemic to the large areas not only in India but around the world has made investors a bit uncertain and bearing in the recent time and this is seen in the fall in the worldwide markets. The extent of Corona pandemic is a determining factor in the world economy as far as its impact seen.

Several multilateral agencies, including the World Bank and the International Monetary Fund, have drastically cut their India's GDP growth forecast for 2020-21 after economic activity in the country halted due to corona virus lockdown. While the World Bank expects India to grow at 1.5-2.8 percent in 2020, the IMF predicts a 1.9 percent expansion.

Your Board has also contributed to CM Care Fund and inter- alia, as a gesture to support the government in fighting against corona.

While presenting the Finance Bill for the year 2020-21, the Union Government on 01.02.2020 had reasonably estimated India's nominal GDP growth rate (i.e. real growth + inflation) of 10 percent, however, the same now seems far from the reality and certainty. The slowdown in demand, closure of production activities, fall in the global price of crude oil, ban on foreign trade, price decrease in the commodities like energy, metals and fertilizers, restrictions on the aviation industry as also on tourism, amongst others, are bound to exert downward pressure on the inflation, thus adversely affecting the economy chart. It is believed that India's aggressive lockdown could bring the country's growth down to 2.5 percent from 4.5 percent it had earlier estimated. However, as per the statement released by Chief India Economist of Goldman Sachs on April 09, 2020, the economic growth of India has been estimated at a very low figure of 1.6% only.

The overall trade impact for April and May is estimated to be the most for chemical sector at 129 million dollars, textiles and apparel at 64 million dollars, automotive sector at 34 million dollars, electrical machinery at 12 million dollars, leather products at



13 million dollars, metals and metal products at 27 million dollars and wood products and furniture at 15 million dollars. As per UNCTAD estimates, exports across global value chains could decrease by US\$ 50 billion during the year in case 2% reduction in China's exports of intermediate inputs.

Your Company is one of the leading manufacturers of artificial leather in the world. In past two and half decades, your Company have partnered some of the largest corporation across the globe. Our Company is one of the leading manufacturers because of unique quality product, leading manufacturers because of unique quality product, research & development and inspection regime keeps the quality in check and also allows waste reduction at each step. A fully computerized system maintains uniformity of quality, strength, texture, colours and any other customer specifications. Our inspirations have been derived from a variety of things from living beings, art work and many other natural phenomenal. Our capacity to recreate these inspirations into the most beautiful textures, colours and applications have been globally admired. Our products are used in automotive, footwear, furnishing, auto replacement, bags & accessories, marine upholstery and miscellaneous applications of artificial leather.

As per the conditions of automotive and footwear sector before corona virus pandemic and in March, 2020 despite outbreak of Corona virus pandemic situation, your Company has been able to report well operational performance in the financial year 2019-20. Your Company has achieved total revenue amounting to Rs. 535.54 Crores and the net Profit After Tax (PAT) amounting to Rs. 80.64 Crores on Standalone basis. While the total revenue amounting to Rs. 547.81 Crores and the net Profit After Tax (PAT) amounting to Rs. 79.78 Crores on Consolidated basis.

We always try to enhance the shareholders' net worth and confidence in the Company, by declaring dividends from time to time, to reward our valued shareholders. During the financial year 2019-20, in line with our phenomenal history, your Board has declared 3 interim dividends of total amounting of Rs. 3.00 per share i.e. 60% of the face value of Rs. 5 each of the Company and has recommended Rs. 1.00 per share as final dividend for the financial year 2019-20 to the shareholders in the ensuing 27th Annual General Meeting of the Company.

We are delighted to inform that your Company has started production of our newly setup PU plant located at Morena, Madhya Pradesh from January 21, 2020. PU leather is waterproof, softer, high tensile strength, lighter than real leather, turns easily, and is easy to dry clean and has high abrasion. It also remains unaffected from sunlight.

During the financial year 2019-20, your Company has setup a new Company i.e. Mayur Uniquoters SA (Pty) Ltd, Wholly Owned Subsidiary in the Republic of South Africa. Mayur Uniquoters SA (Pty) Ltd will enhance the business of the Company in the territory of Republic of South Africa.

Your Company has received the following rewards and recognition:

- Grow Care India Safety Awards 2019, Award received on 24.12.2019 at New Delhi. Organized by Grow Care India, New Delhi.
- Best Employer's Award 2018, Award received on 15.11.2019 at Jaipur. Organized by the Employers Association of Rajasthan.
- FS Tech Supplier Convention 2019, Gold Award received on 20.04.2019 at Gurugram(Haryana)for acheiving special

performance in Quality for the year 2018-19. Organized by TS Tech Sun India Pvt. Ltd.

Mayur Uniquoters Limited has successfully implemented Integrated Management System having Quality Management System, Environmental Management System and Occupational Health & Safety management system. Mayur is certified with IATF 16949:2016, ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. We are also in process of transition from OHSAS 18001:2007 to ISO 45001:2018.

Good education can bring positive change in society. The senior management of Company is concerned about the education of rural children. There are so many challenges in our education system, especially in rural area, Instead of build separate education set up, it is better to support the existing education system of the Government and your Company is supporting in the mainly village areas in Rajasthan by uplifting the standards of education in rural schools.

Our goal is to provide free cost quality education and improve the learning level and enrolment of schools by sorting out the problems of school management. Build the learning environment in Government schools, where each child can get equal opportunity to learn and explore.

For better nutrition and preschool education Mayur adopted 20 Anganwadi centers of Govindgarh and Chomu area for 5 years under the Nand Ghar Yojna under the Integrated Child development scheme (ICDS) of Government of India. The Company has also provided 2 semi underground dustbins to the Local municipality (Chomu) to help its administration in keep the area clean. These new dustbins are building with new technology which is able to store more than 40 ton waste at one time.

To develop green zone in the nearby villages of the plant, company started to place the plants surrounding villages and schools. More than 500 plants have been placed in different villages.

It's important to remember that, whenever dramatic changes or events occur, the potential for new opportunities also open up and comes to all. Downturns require individuals and businesses to rethink retool and adapt, which often results in the long-term in greater efficiency.

I recognize and be thankful for the genuine efforts at the time of pandemic scenario of our employees at all levels who have given their heart and soul to the business and have worked day by day to yield impressive results. I also take this opportunity to express sincere gratitude for confidence, assistance, support, believe and co-operation received from the Customers, Suppliers, Bankers, Financial Institutions, Auditors, State and Central Governments, Advisors, Community, Society etc. I am grateful to our Board of Directors and all Stakeholders including the members of the Company for their continuous support and look forward for a bright future ahead.

"Stay Home, Stay Safe"

Best Regards,

Suresh Kumar Poddar
Chairman and Managing Director & CEO
DIN: 00022395

Place: Jaipur
Date: June 29, 2020

